Genworth

Contract Services

Loan Submission Tips

3rd Quarter 2018

Genworth's Contract Services team would like to share some tips to help you reduce the number of prior-to-closing (PTC) conditions on loans we contract underwrite on your behalf. **Following these tips can eliminate or reduce PTCs, which can help get your loans closed quicker.** Below you'll find common themes we identified in loans submitted to us last Quarter, along with relevant examples and helpful tips for each focus area – plus agency guideline section references.

Assets – Gifts		
Missing Loan Submission Documentation	**Examples & Helpful Tips**	**Agency Guideline References**
Gift not documented as required by Program or AUS Guidelines	***Example 1:*** *A source of borrower(s) funds to close is coming from a Gift* **Helpful Tips:** 1. Provide fully executed Gift letter 2. Verify the Donor's availability of Funds and document Transfer of Gift Funds to borrower(s) a. **TIP**: For Gift funds not transferred until closing. Please ensure either the Gift Letter reflects – OR – provide other indication of this in the file ***Example 2:*** *Borrower(s) Savings account has a balance of $12,000, but recently had a large deposit of $10,000. It was determined the source of the large deposit was from a Gift* **Helpful Tips:** 1. Provide fully executed Gift letter for Gift funds of $10,000 2. Provide evidence the large deposit borrower received, came from the Gift donor & Donor's availability of Funds 3. Update 1003/AUS findings as follows: a. Reduce the qualifying balance in savings account to $2000 b. Add a separate Gift asset of $10,000 c. Re-run AUS findings with the updated asset information ***Example 3:*** *Borrower(s) EMD of $7,500 came from Gift Funds* **Helpful Tips:** 1. Provide fully executed Gift letter for Gift funds of $7,500 for the EMD funds 2. Verify the Donor's availability of Funds and their transfer of funds for the EMD	Fannie Mae Selling Guide: Section B3-4.3-04, Personal Gifts; Section B3-4.3-05, Gifts of Equity; & Section B3-4.3-06, Donations from Entities Fannie Mae Selling Guide: Section B3-4.4-02, Documentation Requirements Freddie Mac Selling Guide: Section 5501.3, Asset eligibility & documentation requirements • (c) (1,2,3) – Special Requirements for other eligible source of funds *Note: Investor Guidelines/ Overlays may differ from Fannie Mae/Freddie Mac Requirements

Missing Critical Documents

Missing Loan Submission Documentation	Examples & Helpful Tips	Agency Guideline References
Missing Critical Documents required by Program or AUS Guidelines	***Example 1:*** *AUS Findings and/or Program Guidelines require 2 months bank statements for all accounts – and only 1 month bank statement or internet printout that includes 30 day history of account was provided.* **Helpful Tips:** 1. Provide another concurrent statement or internet printout (including another 30 days) –or Fully Completed VOD 2. Update 1003/AUS findings accordingly if balance(s) in account(s) differ ***Example 2:*** *AUS Findings and/or Program Guidelines require various employment/income verification(s) such as paystub(s), VOE, W2, and/or tax returns.* **Helpful Tips:** 1. Provide applicable documentation required by AUS and/or Program Guidelines 2. Update 1003/AUS findings accordingly if employment/income verification(s) reflect different income or income sources 3. See also: Contract Services Underwriting Loan Submission Tips & Checklist	Fannie Mae Selling Guide: Section B3-2. Desktop Underwriter • See also – Section(s) B3.3-B3.6 for detailed Income, Asset, Credit, Liability Assessment Documentation Requirements Freddie Mac Selling Guide: Section 5101: Using Loan Product Advisor & Section 5102: Underwriting a Mortgage for Sale to Freddie Mac • See also – Sections 5200–5500 for detailed Credit, Income, Liability, Asset Documentation Requirements *Note: Investor Guidelines/ Overlays may differ from Fannie Mae/Freddie Mac Requirements

Purchase – Sales Contract and any/all Addendums

Missing Loan Submission Documentation	Examples & Helpful Tips	Agency Guideline References
Complete Sales Contract including any/all addendums	***Example 1:*** *Subject transaction is a Purchase.* **Helpful Tip:** 1. Be sure to provide a copy of the Fully executed Purchase contract including all pages and addendums **NOTE: Please be sure to include any/all addendums as indicated as part of contract** 2. If any terms of the contract (price, seller contributions, etc.) have changed, make sure to update your 1003/AUS findings with updated final contract terms accordingly	Varies depending on Agency/Investor Guidelines and Overlays

For More Information

Contact your Genworth Regional Underwriter or the ActionCenter® at action.center@genworth.com or 800 444.5664 for questions or to give us feedback.